

Minutes

Catawba County Board of Commissioners

Special/Joint Session with the City of Claremont, Wednesday, July 7, 2004, 4:00 p.m.

Agreement

Joint Economic Development Agreement with Poppelmann Properties USA LLC,
Poppelmann Plastics USA LLC 606 07/07/04

Claremont, City of

Joint Economic Development Agreement with Poppelmann Properties USA LLC,
Poppelmann Plastics USA LLC 605 07/07/04

Economic Development Corporation, Catawba County

Joint Economic Development Agreement with Poppelmann Properties USA LLC,
Poppelmann Plastics USA LLC 605 07/07/04

Public Hearing

Joint Economic Development Agreement with Poppelmann Properties USA LLC,
Poppelmann Plastics USA LLC 606 07/07/04

The Catawba County Board of Commissioners met in special/joint session with the City of Claremont on Monday, July 7, 2004, 4:00 p.m., at St. Mark's Lutheran Church, Family Life Center, located at 3216 West Main Street, Claremont, North Carolina. The purpose of the special/joint meeting was to hold a public hearing to consider an incentive grant for the purpose of causing Poppelmann Plastics USA to locate a manufacturing facility in Claremont's International Business Park. The use of the grant in the amount of \$200,000 will be for defraying company expenses such as equipment, training or other general development costs. In addition, the County will consider a payment to the City of Claremont in the amount of \$30,000 to defray the cost of installing rail service to the site.

Present were Chair Katherine W. Barnes, Commissioners Barbara G. Beatty and Lynn M. Lail.

Absent: Vice-Chairman Dan A. Hunsucker and Commissioner Glenn E. Barger.

A quorum was present.

Also present were County Manager/Deputy Clerk J. Thomas Lundy, Assistant County Manager Mick W. Berry, County Attorney Robert Oren Eades, and County Clerk Thelda B. Rhoney. Catawba County Economic Development Corporation (EDC) President Scott Millar was present.

1. Claremont Mayor Glenn Morrison welcomed everyone. He also offered the invocation.
2. Call to Order-City of Claremont.

Mayor Morrison called the meeting of the City Council of the City of Claremont to order at 4:10 p.m.

Present: Mayor Glenn A. Morrison, Council Members David Morrow, Judy Setzer, Nicky Setzer, and James Paul "PJ" Stanley. Also present Interim Manager Doris Bumgarner, City Attorney Bob Grant, and City Engineer Trey Wingate.

Council Member Tim Lowrance was absent.

A quorum was present from the City of Claremont.

3. Call to Order-Catawba County.

At 4:11 p.m., Chair Barnes called the meeting of the Catawba County Commissioners to order.

4. Project Overview.

EDC President Scott Millar said it was a pleasure to have representatives from Poppelmann in attendance. He welcomed everyone and gave an overview of the project summary of Poppelmann Plastics USA.

OVERVIEW

Poppelmann Plastics USA intends to commit up to \$15 million in expenditures for a 50 employee thermoformed plastics manufacturing facility on 30 acres in Claremont, North Carolina, upon approval of formal agreements between the company and the City of Claremont and Catawba County. The facility will manufacture horticultural pots in the first phase; subsequent phases will manufacture automobile parts, pharmaceutical and food containers. Rail service, infrastructure, and failsafe power delivery were all key components of their decision. Many grants and programs have been accessed in order to facilitate this project.

CLAREMONT

The City of Claremont agreement facilitates pass-through grants from many sources toward the development of the necessary roads, rail, and utility connections and opens several new sites for development in Claremont's International Business Park. Hart Drive will be extended southward to meet Keisler Dairy Road, opening up two new industrial sites with all utilities and access. Claremont's agreement includes a \$300,000 offset grant to assist with the purchase and development of the project site, \$50,000 as a match for the CDBG Grant, \$30,000 for possible natural gas delivery to the site, and \$176,349 for costs associated with the construction of rail service to the site. Maximum Claremont costs under this agreement are \$556,349.

CATAWBA COUNTY

The Catawba County agreement provides for a \$150,000 offset grant for general project costs associated with construction, land delivery and preparation, training and hiring, \$50,000 as a match for CDBG, and a payment of \$30,000 to the City of Claremont for additional assistance in the construction of rail service. Catawba County's total payment for costs associated with this project totals \$230,000.

OTHER

NCDOT has committed to road costs to extend Hart Drive. NCDOT Rail Division has committed up to \$75,000 for rail costs. The Golden Leaf Foundation also committed \$150,000 for rail construction. Duke Power has committed \$100,000 for rail costs, and the Charlotte Regional Partnership has committed \$5,000 for general project costs. The Community Development Block Grant program (CDBG) will provide \$500,000 for infrastructure to the site. The State of North Carolina participated in providing the One NC Fund in the amount of \$300,000 and will be providing other credits as eligible under the William S. Lee Tax Credits program. Training will be provided through NC Department of Community Colleges.

REPAYMENT/CLAWBACKS

All of the grants are offered under N.C. General Statute 158-7.1 with provisions requiring the creation of jobs and investment by the company. Without the grants and programs listed above, the project would not have occurred in North Carolina.

5. City of Claremont Council Discussion/Call for Public Hearing/Action

The City of Claremont held a public hearing.

Ms. Elizabeth Smyre said she was not in favor of increased traffic and rail service creating dirty air. She asked if the jobs would be only for Claremont residents and Mayor Morrison said the jobs would be open to anyone anywhere. She asked about the hiring wage.

The City of Claremont Council unanimously approved a Joint Economic Development Agreement with Poppelmann Properties USA LLC, Poppelmann Plastics USA LLC. The Claremont Council also unanimously approved an economic development incentive agreement with Poppelmann.

The Claremont Mayor and Poppelmann representatives executed the agreements.

6. Catawba County Board of Commissioners Discussion/Call for Public Hearing/Action

At 4:25 p.m. Chair Barnes opened the public hearing that had been duly advertised. She asked if anyone wished to speak either for or against to please come forward. No one spoke. Chair Barnes closed the public hearing.

Commissioner Beatty made a motion to approve a Joint Economic Development Agreement with Poppelmann Properties USA LLC, Poppelmann Plastics USA LLC. The motion carried unanimously. (Copy of Agreement

on file in the Office of President, Catawba County Economic Development Corporation. Contract No. 11-05-0209.)

Chair Barnes and Poppelmann representatives executed the agreement.

7. Introduction of Company Officials

Mr. Millar introduced the following Poppelmann representatives:

Mr. Guido Schmidt - Poppelman Managing Director
Matthias (Matt) Lesch - Assistant to Managing Director
Jack Shelton - National Sales Manager and Manager of US Operations
General Counsel Dixon Miller out of Ohio.

8. Mayor Morrison, Chair Barnes, EDC Chair Jeff Cline, and Official from the North Carolina Department of Commerce Martyn Johnson each made a formal welcome to Poppelmann.

9. Recognition of Other Involved Parties.

Mr. Millar recognized the following:

Golden Leaf Foundation - ("This project received support from The Golden Leaf Foundation")
Valeria Lee, President
Mark Sorrells
Board Member Michael Almond

Governor Mike Easley and the State of North Carolina (One NC Fund, other credits)
Secretary Jim Fain, Martyn Johnson

Commerce Finance Staff and CDBG Staff

North Carolina Department of Transportation
Board Member Bob Collier, Former Board Member Frank Johnson, Mike Holder

NC Department of Transportation-Rail Division
Pat Simmons, Pam Davis, David King

Norfolk Southern Railroad
Jim Bowman, Jeff Cline

WK Dickson Engineering

Trey Wingate, Shad Walters,

Matthews: Gary, Bobby, Andy, Atty. David Isenhower

City of Claremont Council, Staff, Attorney

Catawba County Commission, Staff, Attorney

Western Piedmont Council of Governments: Sherry Long

Dean McGinnis, former Claremont City Manager

Mark Heath

Charlotte Regional Partnership: David Cline, Michael Campbell, Michael Almond

Duke Power Company: Richard Wiley, Harry Poovey, Tony Almeida

Piedmont Natural Gas-Steve Lisk

Local German Contingent: Christof Klingspor, Dieter Bialek, Armin Leicher, Peter Rumswinkel

EDC Board and Staff

Catawba Valley Community College (CVCC) Training personnel

Moldmakers (Accuchrome, Stolle, etc.)

10. Comments and Company Overview

Mr. Guido Schmidt thanked everyone for the warm welcome. He said they were glad to be here and it had been a long wait. This is a milestone for the US market and a milestone for the public. He offered expansive information about Poppelmann and their plans in America. He said the company began in 1949 when Josef Poppelmann established a cork manufacturing company and in 1955 the processing of plastics began.

Mr. Schmidt offered a brief company profile. He said starting in 1949, Poppelmann, a private company, today is a leading company in German plastics processing industry with about 1,000 employees and 400 injection moulding and thermoforming machines. Their activities comprise of four business divisions:

1. K-TECH - a high precision, engineered, injection-moulded plastic parts and their customers are the automotive industry.
2. KAPSTO - a standard program of plastic protective elements in over 3,000 versions and their customers are machine building, automotive, hydraulics, and pneumatics industry.
3. FAMAC - a technical components and packaging facility and their customers are food, pharmaceutical, cosmetics, and medical industries.
4. TEKU - 1) Injection moulded and thermoformed horticultural growing containers, propagation trays and carrying trays. They are the European leader in this market; and 2) decorative planters for private consumers and their customers are retail stores.

The TEKU division will be the first to produce its products in the USA.

Poppelmann has made a profit every year and in over 50 years it has never had to lay off workers due to no available work. They have a strong focus on training and are 100 percent family owned.

Mr. Schmidt said the logistics in Catawba County are good with three major interstates and strong infrastructure. He thanked everyone involved in the attractive package and said their philosophy was "people make the difference."

11. Adjournment, City of Claremont

At 5:00 p.m. the City of Claremont adjourned its meeting.

12. Adjournment, Catawba County

At 5:00 p.m. there being no further business to come before the Board, Commissioner Lail made a motion to adjourn. The motion carried unanimously.

The next regularly scheduled meeting is July 12, 2004, 7:00 p.m., 1924 Courthouse, Newton, NC.

Katherine W. Barnes
Chair, Board of Commissioners

Thelda B. Rhoney
County Clerk